

District of Columbia's Substantial Amendment to the Fiscal Year 2011 Emergency Solutions Grant

On December 5, 2011 (76 FR 75954), the interim regulation for the Emergency Solutions Grants (ESG) program was published (Interim Rule). On January 4, 2012, it went into effect. ESG recipients will be eligible to receive additional FY 2011 ESG funds (referred to as the second allocation) to carry out new activities.

The District of Columbia (District) Department of Housing and Community Development Services (DHCD) is the lead agency in the District for developing the Consolidated Plan and Action Plan for the District. The Department of Human Services (DHS) is the District agency responsible for the implementation and oversight of the Homeless Services Program and the Emergency Solutions Grant. Homelessness is a significant barrier to self-sufficiency and one of the resources for the District to address the needs of persons experiencing homelessness is the federal Emergency Solutions Grant.

The Emergency Solutions Grants (ESG) program, authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. §§ 11371–11378), authorizes the Department of Housing and Urban Development (HUD) to make grants to States, units of general purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance.

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, revised the Emergency Shelter Grant program and renamed it the Emergency Solutions Grant (ESG) Program. As such, new regulations were promulgated for this revised program requiring recipient jurisdictions to substantially amend their previously submitted Annual Action Plan for the ESG program in order to receive the second allocation of funding for the revised program, as the eligible activities for these new monies are different than the previous iteration of this grant.

As part of the Substantial Amendment to the Emergency Solutions Grant for Federal Fiscal year 2011, the District must determine, with community input, how it will spend the second allocation in ESG funding for Federal Fiscal Year 2011 in the amount of \$447,499.

Summary of Citizen Participation Process

In accordance with 24 CFR 91.105(c)(3) for local governments and territories and 24 CFR 91.115(c)(3) for states, the District will solicit community comment to facilitate public discussion and comment on the proposed District Substantial Amendment for the ESG program.

John E. Hall, Director of the Department of Housing and Community Development (DHCD), will hold two public hearings on Monday, July 2, 2012 and Monday, July 9, 2012 to discuss a Substantial Amendment to the Emergency Solutions Grant for Federal Fiscal Year 2011.

As part of the amendment, the District must determine, with community input, how it will spend the second allocation in funding for Federal Fiscal Year 2011 in the amount of \$447,499.

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Residents and stakeholders are strongly encouraged to come out and comment on the Substantial Amendment for the Emergency Solutions Grants program.

SCHEDULED PUBLIC HEARINGS:

Monday, July 2, 2012 ~ 1:00 pm

1800 Martin Luther King Jr, Avenue, SE, 1st Floor Conference Room

Monday, July 9, 2012 ~ 6:30 pm

Frank D. Reeves Municipal Building, 2000 14th Street, NW, 2nd Floor Community Room

District of Columbia residents who would like to present oral testimony are encouraged to register in advance either by e-mail at dhcd.events@dc.gov or by calling 202-442-7251. Please provide your name, address, telephone number, and organization affiliation, if any.

Telecommunications Device for the Deaf (TDD) relay service is available by calling (800) 201-7165. A sign language interpreter will be provided upon request by calling (202) 442-7251 five days prior to the hearing date.

Residents who require language interpretation should specify which language (Spanish, Vietnamese, Chinese-Mandarin/Cantonese, Amharic, or French). Interpretation services will be provided to pre-registered persons only. Deadline for requesting services of an interpreter is five days prior to the hearing date. Bilingual staff will provide services on an availability basis to walk-ins without registration.

Written statements may be submitted for the record at the hearing, or until close of business, Monday, July 16, 2012. Mail written statements to: John E. Hall, Director, DHCD, 1800 Martin Luther King Jr., Avenue, SE, Washington, DC 20020.

Match

As required by 24 CFR 576.201, all Emergency Solutions Grant recipients, except territories, must match the second allocation with an equal amount of other federal, state and local resources (cash and non-cash). The District of Columbia will match the total FY 2011 entitlement amount of \$1,243,053. This match will come from the Emergency Rental Assistance Program, which is locally funded and provides prevention assistance through payment of rent arrearages and first month's rent and security deposits. The annual funding for ERAP is \$7,393,000. The match amount of \$1,243,053 will be allotted from ERAP budget.

Proposed Activities and Overall Budget

ESG funds will be used to pay for homeless prevention, shelter operations, rapid rehousing and administrative costs. The ESG funds are used in conjunction with other locally appropriated funds to provide a robust array of prevention services. The Community Partnership for the Prevention of Homelessness (TCP), the contractor managing the Continuum of Care for the District of Columbia, administers ESG funds under the direction of and pursuant to a grant agreement from the Department of Human Services. The start and end dates for all activities funded under the FY 2011 are: September 1, 2012 through September 31, 2013. This amendment outlines how the District will allocate the second allocation (\$447,499) as well as the total combined funding from both allocations (\$1,243,053).

The ESG Grant prevention funds will be used to cover eligible rental assistance for past due rent for individuals and families at-risk of homelessness, short-term subsidies to maintain housing for families at-risk of homelessness.

The ESG shelter operation funds will be used to cover eligible costs to operate temporary shelter for homeless families as a bridge to transitional or permanent housing.

The ESG rapid rehousing funds will be used to assist homeless families in need of identifying, acquiring and paying rent for housing. This rental subsidy assistance will be short-term and utilized as a bridge to other assistance programs or to a family gaining self-sufficiency. This assistance will specifically focus on homeless families as the District has experience significant increases over the past few years in the numbers of homeless families applying for and entering shelter. Rental assistance will be paid directly to landlord on behalf of participant/household. Utility assistance will be paid directly to utility vender on behalf of participant/household.

Performance Indicators and Accomplishments

The District of Columbia expects to serve approximately 50 individuals and 100 families through homelessness prevention (rent arrearages, utility arrearages and short term rental subsidies). Approximately 70 homeless families will be served through shelter operations (temporary apartment-style shelter). Approximately 60 families will be served through tenant-based rapid rehousing rental subsidies. All funds will be used in accordance with ESG regulations.

Homelessness Prevention

- 100% of households served will be immediately diverted from shelter
- 80% of households served will remain housed for a period of at least three months
- 50% of households served will remain housed for a period of at least six months

Rapid Rehousing

- 90% of families served will be housed within 30-days of approval of assistance
- 80% of households served will remain housed for a period of at least six months
- 50% of households served will remain housed for a period of at least nine months

The original budget for the FY 2011 ESG Grant (as listed in the FY 11 Action Plan) is below:

FY2011 Proposed Emergency Shelter Grant Budget

ESG Eligible Activity	
1. Homeless Prevention	\$240,870.00
2. Shelter Operations	\$521,885.00
3. Administrative Costs	\$34,004.00
ESG Allotment	\$796,759.00

Under this amendment with the additional \$447,499 from the second allocation, the revised budget for the FY 11 ESG funds is below:

FY2011 Proposed Emergency Solutions Grant Budget

ESG Eligible Activity	Revised Budget for 1 st allocation	2 nd Allocation	Budget for Revised FY11 Total
1. Homeless Prevention	\$400,000.00		\$400,000.00
2. Shelter Operations	\$276,901.00		\$276,901.00
2. Rapid Rehousing	\$78,875.95	\$425,124.05	\$504,000.00
3. Administrative Costs	\$39,777.05	\$22,374.95	\$62,152.00
ESG Award	\$795,554.00	\$447,499.00	\$1,243,053.00

Funding Priorities

The District will spend the majority of its second allocation of FY 2011 ESG funding (95%) on rapid rehousing tenant-based rental assistance. The balance of funds will be spent on administrative costs (5%). With a nationwide focus on rapid rehousing and the District's own experience implementing the Homelessness Prevention and Rapid Rehousing (HPRP) Program, the District decided to focus primarily on rapid rehousing with the second allocation. Rapid rehousing has emerged as a funding priority for several reasons: 1) the successes of the HPRP Program; 2) the District's focus on permanent housing solutions as opposed to shelter or transitional housing; 3) the need to align ESG funding with the existing housing programs within the Continuum of Care (e.g., the District's locally funded rapid rehousing program).

To date, the District has seen a 90% housing retention rate for those provided rapid rehousing assistance through the HPRP Program. Additionally, the utilization of rapid rehousing as currently administered by the District is a more cost effective way to shelter/house the

homeless (specifically homeless families). The District has just experienced the highest demand in the past 15 years for shelter among homeless families during this past winter. To address this demand, the District primarily relied on severe weather (emergency shelter) and hotels/motels. Although some rapid rehousing was utilized, shelter and motels were primarily used to the timing in which it takes to house and the immediate need (and legal obligation) to shelter/house homeless families when they present for services. Utilizing ESG funds for rapid rehousing will allow the District to house homeless families on a year round basis and divert some of the families that would otherwise present for services.

Process for Making Subgrants

TCP will directly administer all shelter operations, homelessness prevention and rapid rehousing funds/services under the ESG for the FY 2011 grant. There will be no sub-grants executed by TCP.

Written Standards for the Provision of ESG Assistance

a) Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.

1. All evaluations of eligibility for ESG assistance will begin with a general Household Eligibility Assessment. This assessment will ensure income eligibility based on a review of income, current living situation, and ability to obtain subsequent housing options without assistance.
2. All assessed households will affirm the information provided and authorize the sharing of information between agencies.
3. If the applicant meets the basic ESG guidelines for eligibility then a further evaluation/intake will be completed to determine the specific type and amount of assistance that should be provided based on need and eligibility for each type of assistance.
4. Once general eligibility is determined and specific assistance eligibility is approved by TCP, TCP or provider staff (where the household resides) will engage the household and set up a meeting to confirm documentation, and develop an assistance plan.

b) Policies and procedures for coordination among CoC providers.

1. A common assessment tool will be utilized to determine eligibility and the assistance plan.
2. Clients/households will be able to apply on their own through a centralized location.
3. Providers within the CoC will work collaboratively with TCP to ensure that all supporting documentation is assembled prior to final eligibility evaluation and enrollment.
4. TCP will follow the HMIS confidentiality protocol.

c) *Policies and procedures for prioritizing which eligible families and individuals will receive assistance.*

1. *One-time prevention.* Eligible individuals and families at-risk of homelessness will be prioritized for rent arrearage based on: 1) demonstrated risk of homelessness as a result of not receiving assistance; 2) demonstrated need of entering shelter as a result of homelessness; 3) demonstrated ability to maintain housing without further ESG assistance. Eligible individuals and families at-risk of homelessness (or who are homeless) will be prioritized for security deposits and first month's rent based on: 1) demonstrated risk of homelessness as a result of not receiving assistance; 2) demonstrated need of entering shelter as a result of homelessness; 3) demonstrated ability to maintain housing without further ESG assistance.
2. *Short-term prevention and rapid rehousing assistance.* Eligible families targeted for or applying for rental subsidies shall be prioritized for assistance based on: 1) demonstrated need for assistance as the most viable means to exit homelessness or prevent homelessness; and, 2) likelihood of needing shelter without assistance; and, 3) likelihood to maintain housing independently or through another assistance program after assistance is provided (after rehousing assistance is provided or at the end of the subsidy term).
3. The final prioritization of households assisted will be made by TCP.
4. In addition to the above listed prioritizations, assistance will be given on a first-come, first-served basis.

d) *Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid rehousing assistance.*

1. It is expected that program participants will assist with paying rent and utilities while receiving any assistance. All participants will be required to expend all available personal resources to defer the amount of ESG assistance needed.
2. The District will develop a guide on how much a household should expect to contribute taking into account their rent and utilities, unit size and rent amount, and income. For rental assistance (rental subsidies) participants are expected to pay 40% of the monthly income towards their rent.
3. Generally, it is the goal that households pay not more than 45% of their income on rent and utilities.
4. Maximum assistance to be provided per participant/household for rent arrearages shall be \$4,000 (and no more than 6 months of rent arrearages).

e) *Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.*

1. TCP shall determine the amount of assistance to be provided for rent arrearage and utility assistance based on household demonstrated need, income and resources available at the time of application and amount of rent/utility arrearage.

2. TCP shall determine the amount of assistance to be provided for security deposits and first month's rent based on household demonstrated need, income and resources available at the time of application and amount of rent and security deposit. All housing units that this assistance is provided for must meet HUD habitability standards and the rent reasonableness standard as determined by the District of Columbia Housing Authority.
3. TCP shall determine the amount and term of rental subsidy assistance provided to participants based on household demonstrated need, monthly income and resources available at the time of application, amount of rent and the anticipated timeframe for participants to be able to pay their full rent without assistance from the ESG Program. All housing units that this assistance is provided for must meet HUD habitability standards and the rent reasonableness standard as determined by the District of Columbia Housing Authority. All participants will be required to pay a minimum of 40% of their monthly income towards their rent each month. The maximum term of rental subsidies shall be 12 months.

Involvement of Homeless Individuals

The District provides an ongoing forum for current and formerly homeless individuals to participate in making policy decisions for ESG and all other programs within the Continuum of Care through the Interagency Council on Homelessness (ICH). The ICH is a body legislated by the District's Homeless Reform Act of 2005. This Act governs the provision of homeless services within the District and set forth the creation of the ICH as a policy and strategic planning vehicle. The ICH is chaired by the City Administrator and includes as members: Directors of government agencies that serve the homeless; service providers who implement/operate programs within the Continuum of Care; advocates for the homeless; and, homeless or formerly homeless individuals.

The authority of the ICH includes approval of the District's Strategic Plan for Ending Homelessness and the approval of the Winter Plan (plan for address the needs of the homeless during the hypothermia season). The Council meets on a bi-monthly basis and these meetings include a pre-meeting where current and formerly homeless individuals are engaged to participate in decision-making on a variety of topics relevant to services provided to them. Additionally, there are committees and sub-committees (Executive Committee, Strategic Planning Committee, Operations and Logistics Committee, Permanent Supportive Housing Committee, Youth Sub-Committee, Capacity Sub-Committee and Veteran's Sub-Committee) that meet monthly and have a number of current and formerly homeless individuals participate as members and attendees.

Performance Standards and Monitoring Procedures

The District of Columbia is committed to achieving continuum-wide objectives for preventing and ending homelessness. As the ESG sub-recipient, TCP will be required to:

- Target and serve those most in need of assistance
- Target and serve that are most likely to maintain housing through assistance
- Target the right type, amount and length of assistance to each household
- Prevent those who receive prevention assistance from becoming homeless
- Divert those receiving prevention assistance from shelter
- Coordinate assistance with other programs and services within the CoC
- Track program activities (programmatic and financial)
- Operate program within the ESG regulations
- Utilize HMIS for data collection and tracking

DHS is required by law (through the Homeless Services reform Act of 2005) to operate a monitoring unit and perform annual program monitoring reviews of each program it funds through the Continuum of Care. As a result, DHS will perform an annual monitoring of the ESG Program and any/all sub-grantee/sub-recipients. Additionally, additional reviews are conducted based on specific complaints or inquires. DHS program staff will also perform random programmatic reviews to ensure all polices, procedures and guidelines are adhered to.